

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEREMY LEVIN and DR. LUCILLE LEVIN,

Plaintiffs,

-v-

THE BANK OF NEW YORK MELLON,
JPMORGAN CHASE & CO., JPMORGAN
CHASE BANK, N.A., SOCIÉTÉ
GÉNÉRALE, and CITIBANK, N.A.

Defendants.

THE BANK OF NEW YORK MELLON,
JPMORGAN CHASE & CO., JPMORGAN
CHASE BANK, N.A., SOCIÉTÉ
GÉNÉRALE, and CITIBANK, N.A.

Third-Party Plaintiffs,

-v-

STEVEN M. GREENBAUM, *et al.*

Third-Party Defendants.

(FILED PARTIALLY UNDER SEAL
DUE TO CONFIDENTIAL
INFORMATION SUBJECT TO
PROTECTIVE ORDER)

Civ. No. 09 CV 5900 (RPP) (MHD)

**AFFIDAVIT OF DR. PATRICK
CLAWSON IN SUPPORT OF
JUDGMENT CREDITORS'
RENEWED JOINT MOTION FOR
PARTIAL SUMMARY JUDGMENT
ON SINGLE PHASE TWO ASSET**

AFFIDAVIT OF DR. PATRICK CLAWSON

I, Dr. Patrick Clawson, being duly sworn, depose and say:

1. I am an adult citizen of the District of Columbia.
2. I am Director for Research of the Washington Institute for Near East Policy, where I have been employed since 1997. My previous positions include five years as senior research professor at the Institute for National Strategic Studies of the National Defense University and senior economist for four years each at the Foreign Policy Research Institute, the World Bank, and the International Monetary Fund.
3. I have done contract consulting work about Iran for U.S. government agencies over the last twenty-five years, including the Central Intelligence Agency, the Defense Department, the State Department Bureau of Intelligence and Research, and, through various contractors, the National Security Agency and the Defense Intelligence Agency. While at the National Defense University, I worked closely with officials from a wide range of U.S. government agencies on the issue of Iran and Iranian support for terrorism, including close work with the Central Command (the U.S. military command responsible for the Middle East) and its subordinate commands, and with the staff of the Joint Chiefs of Staff.
4. I have testified often about Iran, Iranian terrorism, and the use of economic measures to discourage Iran from supporting terrorism before the House International Relations, National Security, and Banking and Financial Services Committees, as well as the Senate Foreign Relations and Banking Committees.
5. I have made presentations about foreign and economic policy of the Islamic Republic of Iran (hereinafter "Iran" or "Republic of Iran"), including its support for terrorism, and about U.S. policy towards Iran at conferences sponsored by, among other organizations, the

Iranian Foreign Ministry's Institute for Political and International Studies in Tehran, the Royal Institute for International Affairs in London, the Royal United Services Institute in London, the Japanese Foreign Ministry in Tokyo, the Institute for Defense Studies and Analysis in New Delhi, the Shanghai Institute for International Studies in Shanghai, the Jaffee Center of Tel Aviv University, the Council for Foreign Relations in New York and Washington, the Nixon Center (part of the Nixon Presidential Library) in Washington, the Carnegie Endowment for International Peace in Washington, the Asia Society in New York, and a great many universities.

6. My books and monographs include:
 - *Monetary History of Iran from the Safavids to the Qajars* (I.B. Tauris, 2013, with Rudi Matthee and Willem Floor)
 - *Preventing an Iranian Breakout: U.S.-Israel Coordination* (The Washington Institute, 2012, with David Makovsky)
 - *An Iranian Nuclear Breakout Is Not Inevitable* (The Washington Institute, 2011)
 - *Much Traction from Measured Steps: The Iranian Opposition, the Nuclear Issue, and the West* (The Washington Institute, 2010)
 - *Engaging Iran: Lessons from the Past* (The Washington Institute for Near East Policy, 2009, edited)
 - *The Last Resort: Consequences of Preventive Military Action Against Iran* (The Washington Institute, 2008, with Michael Eisenstadt)
 - *Eternal Iran: Continuity and Chaos* (Palgrave Press, 2005, with Michael Rubin)
 - *Getting Ready for a Nuclear-Ready Iran* (U.S. Army War College, 2005, with Henry Sokolski, edited)

- *Checking Iran's Nuclear Ambitions* (U.S. Army War College, 2004, with Henry Sokolski, edited)
- *How to Build a New Iraq After Saddam* (the Washington Institute for Near East Policy, 2002, edited)
- *The Last Arab-Israeli Battlefield? Implications of an Israeli Withdrawal From Lebanon* (The Washington Institute for Near East Policy, 2000, with others)
- *Dollars and Diplomacy: The Impact of U.S. Economic Initiatives on Arab-Israeli Negotiations* (The Washington Institute for Near East Policy, 1999, with Zoe Danon Gedal)
- *Iran Under Khatami* (The Washington Institute for Near East Policy, 1998, with others)
- *Iraq Strategy Review* (The Washington Institute for Near East Policy, 1998, edited)
- *Strategic Assessment*, the flagship annual of the Institute for National Strategic Studies of the National Defense University, which I inaugurated and edited for three years (1995-1997)
- *U.S. Sanctions on Iran* (Emirates Centre for Strategic Studies and Research, 1997)
- *The Andean Cocaine Industry* (St. Martin's Press, 1996, with Rensselaer Lee)
- *Business As Usual? Western Policy Options Towards Iran* (American Jewish Committee, 1995)
- *Energy Security in the Twenty-First Century* (National Defense University Press, 1995, edited)

- *Iran's Strategic Intentions and Capabilities* (National Defense University Press, 1994, edited)
- *How Has Saddam Hussein Survived? Economic Sanctions 1990-1993* (National Defense University Press, 1993)
- *Iran's Challenge to the West: How, When, and Why* (the Washington Institute for Near East Policy, 1993)
- *Uprooting Leninism, Cultivating Liberty* (University Press of America, 1992, with Vladimir Tismaneanu)
- *Economic Consequences of Peace for Israel, Palestinians, and Jordan* (the Washington Institute for Near East Policy, 1991, with Howard Rosen)
- *Unaffordable Ambitions: Syria's Military Build-Up and Economic Crisis* (the Washington Institute for Near East Policy, 1989).

7. I have written about the contemporary Middle East, including about Iran, for *The New Republic* as well as op-ed articles in *The New York Times*, *Wall Street Journal*, and *Washington Post*, among other newspapers. I am the author of more than thirty scholarly articles in *Foreign Affairs*, *Survival*, *Washington Quarterly*, *International Journal of Middle East Studies*, *Middle East Journal*, *Les Cahiers de l'Orient*, and *Oxford Bulletin of Economics and Statistics*, among other journals.

8. From 1994 to 2012, I was senior editor of *Middle East Quarterly*. From 1990 through 1994, I was editor of *Orbis*, a foreign policy journal.

9. My Ph.D. in economics is from the New School for Social Research and my B.A. is from Oberlin College.

10. I am able to read and/or speak Persian, Hebrew, Spanish, French, and German. I read the Iranian press regularly, including every day at least one Iranian newspaper from the many available on the internet. I also read other publications from Iran, including books in Persian.

11. I have been qualified as an expert witness and have given testimony about Iranian military and financial support for terrorism in more than a dozen federal trials where the Islamic Republic of Iran and other governmental divisions, instrumentalities and agencies, including the Iranian Ministry of Information and Security (“MOIS”) were defendants. These cases include: *Levin v. Islamic Republic of Iran*, U.S.D.C. No. 05-2494 (2007); *Cicippio v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 96-01805 (1996); *Flatow v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 97-00396 (1997); *Ungar v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-02606 (2000); *Anderson v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-00698 (1999); *Elahi v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-02802 (1999); *Wagner v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-01799 (2000); *Polhill v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-01798 (2000); *Stern v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-02602 (2000); *Cronin v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-02890 (1999); *Stethen v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-00159 (2000); *Hegna v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-00716 (2000); *Weinstein v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-02601 (2000); *Rafii v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-850 (2001); *Kerr v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-01994 (2001); *Higgins v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-00377 (1999); and *Surette v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-00570 (2001).

12. I have previously been qualified as an expert in this action. *See Levin v. Bank of New York, et al.*, Opinion and Amended Order, Civ. No. 09-5900 (RPP)(MHD), dated March 4, 2011; *see also See Levin v. Bank of New York, et al.*, Opinion & Order, Civ. No. 09-5900 (RPP)(MHD), dated September 9, 2013.

13. Since 1980, I have followed the scholarly literature and press from and about the Middle East. I have an archive of news articles from Iranian, U.S., European, and Arab newspapers and periodicals, with more than 10,000 items from the 1980s. I have an extensive library of scholarly works on Iran, Lebanon, and terrorism, and my research assistants at the Washington Institute searched for material at the Georgetown University Library and on Lexis-Nexis.

14. I have attended more than seventy-five scholarly conferences and workshops on Iran's foreign policy, many of which analyzed its support for terrorism, with presentations by leading experts from the United States, Israel, Arab countries, and across Europe. I have often discussed with these experts the methods Iran uses to support terrorism financially, including unlawful use of banking institutions in the United States and internationally, using various financial instruments, including electronic transfers, through a variety of intermediary entities.

15. Section 1610 of the Foreign Sovereign Immunities Act ("FSIA") provides:

(1) **In general.**--Subject to paragraph (3), the property of a foreign state against which a judgment is entered under section 1605A, and the property of an agency or instrumentality of such a state, including property that is a separate juridical entity or is an interest held directly or indirectly in a separate juridical entity, is subject to attachment in aid of execution, and execution, upon that judgment as provided in this section, regardless of—

(A) the level of economic control over the property by the government of the foreign state;

(B) whether the profits of the property go to that government;

(C) the degree to which officials of that government manage the property or otherwise control its daily affairs;

(D) whether that government is the sole beneficiary in interest of the property; or

(E) whether establishing the property as a separate entity would entitle the foreign state to benefits in United States courts while avoiding its obligations.

U.S.C. § 1610(g)(1) (2009). Thus, any property owned by Iran, or its agencies and instrumentalities, is subject to attachment by any judgment creditor who obtains a judgment against it under section 1605A.

16. FSIA further states:

(a) A “foreign state”, except as used in section 1608 of this title, includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as defined in subsection (b).

(b) An “agency or instrumentality of a foreign state” means any entity:

(1) Which is a separate legal person, corporate or otherwise, and

(2) Which is an organ of a foreign state or political subdivision thereof, or a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof

28 U.S.C. § 1603.

17. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

18. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

19. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20. [REDACTED]

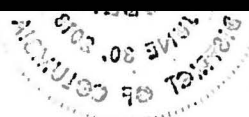
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



██
██

21. The mechanisms by which the Iranian government tightly controls the ██████, as described in the affidavit by James Dorsey, are similar to the process of tight government control over nominally independent institutions which is a widespread practice in Iran.

22. The combination of tight government regulation, government interference in determining the top management, and behind-the-scenes ownership which James Dorsey describes in his affidavit regarding the ██████ is a normal practice in Iran.

23. Based upon the above facts, it is my expert opinion that the ██████ is indirectly owned by the Islamic Republic of Iran, is controlled by Iran, is an agency or instrumentality of Iran and is a foreign state as designated by FSIA.

Patrick L Clawson

Dr. Patrick Clawson

Sworn and subscribed to before me
this 30th day of May 2014.

Rebecca Erdman
Notary Public

